



ILLINOIS COMMERCE COMMISSION

September 28, 2004

VIA ELECTRONIC FILING

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445-12th Street, SW
Room TW-B204
Washington, D.C. 20554

Re: CC Docket No. 96-45, FCC 03-249, Rate Comparability Review and State Certification for Areas Served by Non-rural Carriers.

Dear Ms. Dortch:

Pursuant to the Commission's Final Rule issued December 15, 2003, *Federal-State Joint Board on Universal Service*, 68 Fed. Reg. 69622, and Part 54 of the Code of Federal Regulations on Universal Service, 47 C.F.R. § 54.316, requiring an annual rate comparability review and state certification for areas served by non-rural carriers, the Illinois Commerce Commission ("ICC") hereby certifies that basic service rates in rural, high-cost areas served by non-rural carriers are reasonably comparable to a national urban rate benchmark.

The Staff of the ICC implemented the certification process as follows:

- Obtained the Nationwide Urban Rate Benchmark from the most recent FCC Releases Reference Book, dated July 1, 2004.
- Obtained ICC tariff information for residential rates in rural areas served by two non-rural incumbent local exchange carriers, SBC Illinois and Verizon North Illinois.
- Obtained and identified other mandatory monthly taxes and fees from ILEC rural area residential telephone bills.
- Combined tariff rates with monthly taxes and fees to arrive at the proper residential rates in rural areas according to 47 C.F.R. 54.316(b).
- Compared the ILECs' residential rates in rural areas to the Nationwide Urban Rate Benchmark.

The ICC review finds that the ILECs' residential rates in rural areas are below the nationwide urban rate benchmark and therefore are within the "Safe Harbor" prescribed in 47 C.F.R Section 54.316(b).

Attached is a copy of the rate comparability review and accompanying verification form for Illinois. Please let us know if you have any questions.

Respectfully Submitted,

/s/ Christine F. Ericson

Phillip Casey
General Counsel
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Counsel for the
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cc:

Hon. Chairman Michael K. Powell
Hon. Comm. Kathleen Q. Abernathy
Hon. Comm. Michael J. Copps
Hon. Comm. Kevin J. Martin
Hon. Comm. Jonathan Adelstein

Comparability Review and Certification for Areas Served by Non-Rural Carriers
47 C.F.R. 54.316

Nationwide Urban Rate Benchmark:

Reference Book of Rates, Price Indices, and Expenditures for Telephone Service
Standard Deviation Analysis of Residential Rate in the Sample Cities - Table 1.13
As of October 15, 2003

a. Maximum Charge	\$35.56
b. Minimum Charge	\$16.30
c. Representative Monthly Charge (Weighted Average)	\$24.75
d. Weighted Standard Deviation	\$4.70
e. Average + 2* (Std Dev) (= c + 2d)	\$34.16
f. Percent to Average (= [e/c] * 100)	138%

SBC Illinois Rural Area Residential Rate

1. Network Access line	\$9.00
2. 100 five-minute calls	\$4.50
3. Federal Subscriber Line Charge	\$4.49
4. Taxes and other mandatory fees	
average 911 Emergency System (IL. Enhanced 9-1-1 System Report)	\$1.19
Fed tax 3.0%	\$0.54
State tax 7.0%	\$0.63
Approximate Local municipal taxes and fees, including the IL Universal Svc Fee and IL. Telecom Relay Svc and Eqp fees	\$0.12
Total Residential Rates in Rural Areas	<u>\$20.47</u>

Verizon North Illinois Rural Area Residential Rate

1. Network Access line	\$16.99
2. 100 five-minute calls (included in the Network Access line charge)	\$0.00
3. Federal Subscriber Line Charge	\$6.50
4. Taxes and other mandatory fees	
average 911 Emergency System (IL. Enhanced 9-1-1 System Report)	\$1.19
Fed tax 3.0%	\$0.70
State tax 7.0%	\$0.46
Approximate Local municipal taxes and fees, including the IL Universal Svc Fee and IL. Telecom Relay Svc and Eqp fees	\$0.12
Total Residential Rates in Rural Areas	<u>\$25.96</u>

Rural Rates for both SBC and Verizon North fall below the Nationwide Urban Benchmark, and therefore fall into the "Safe Harbor" rate zone.

VERIFICATION

STATE OF ILLINOIS

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COUNTY OF SANGAMON

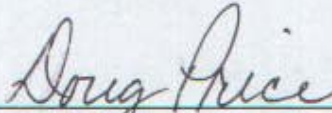
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BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Doug Price,

Who, being by me first duly sworn deposed and said that:

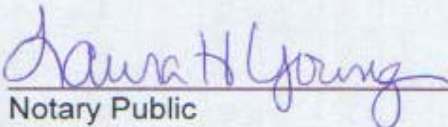
He is Manager of the Telecommunications Rates Division for the Illinois Commerce Commission.

He has read the attached certification letter and accompanying worksheet labeled "Rate Comparability Review and Certification for Areas Served by Non-Rural Carriers" and knows the contents thereof. The contents are true as stated, to his best knowledge and belief.



Doug Price
Manager, Telecommunications Rates
Illinois Commerce Commission

SWORN TO AND SUBSCRIBED BEFORE ME this
27th day of September, 2004.


Notary Public

